CLARIANT

Third Quarter / Nine Month Figures 2022

Analyst Presentation

27.10.2022

what is precious to you?

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Third Quarter 2022

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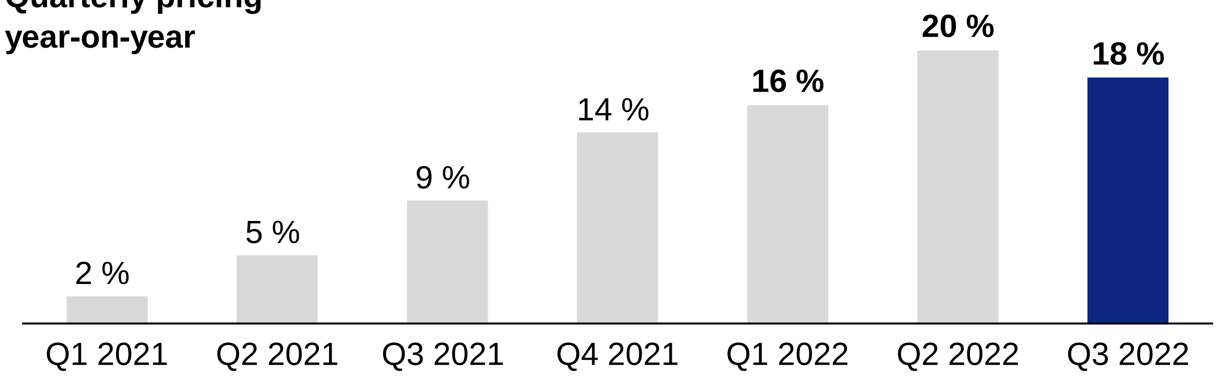
what is precious to you?

Continued Strong Sales Growth in Q3 2022…
…18 % Price Contribution to Specialty Portfolio Growth

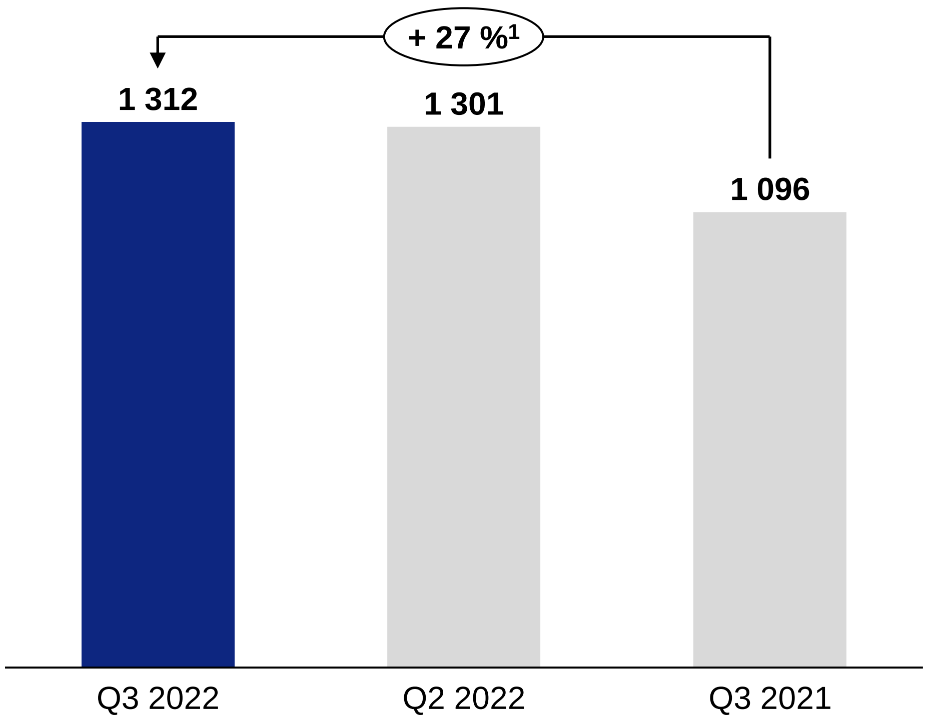
1 Q3 sales (continuing operations) up + 27 % in LC[1]

- **+ 18 %** price contribution fully countered continued cost inflation
- **+ 9 %** volume increase[2]
- **Strong pricing growth** in Care Chemicals (Crop Solutions and Personal Care) and Natural Resources (all Business Units, especially Additives)
- **Volume growth** mainly driven by Catalysis and Oil and Mining Services, while Care Chemicals and Additives were impacted by softening demand (industrial and consumer) and customer destocking

Quarterly pricing year-on-year



Sales in CHF m

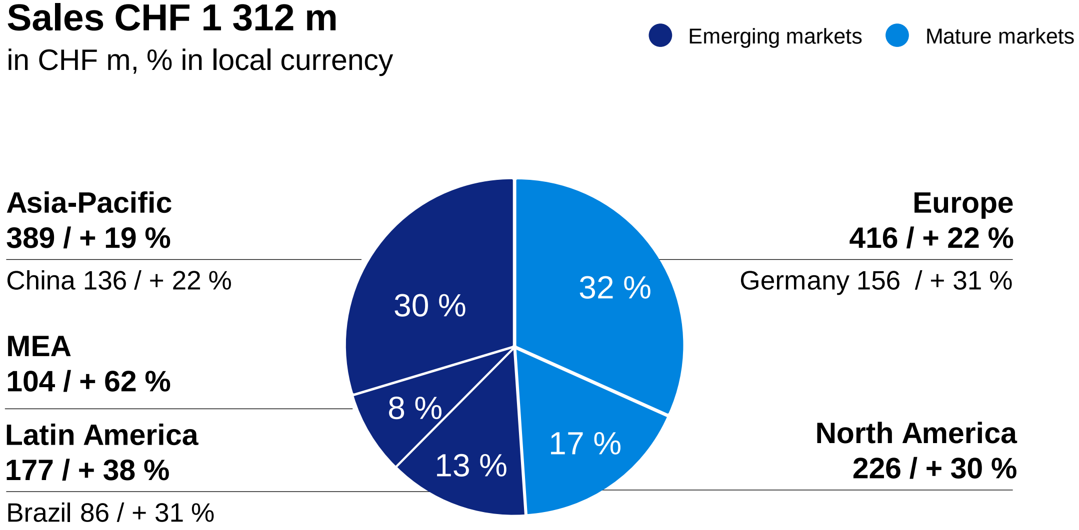


[1] in local currency; [2] consolidation of Beraca contributed sales of c. CHF 2 m in Q3 2022

Third Quarter 2022 – Group[1] Overview

Geographic split

Sales CHF 1 312 m
in CHF m, % in local currency



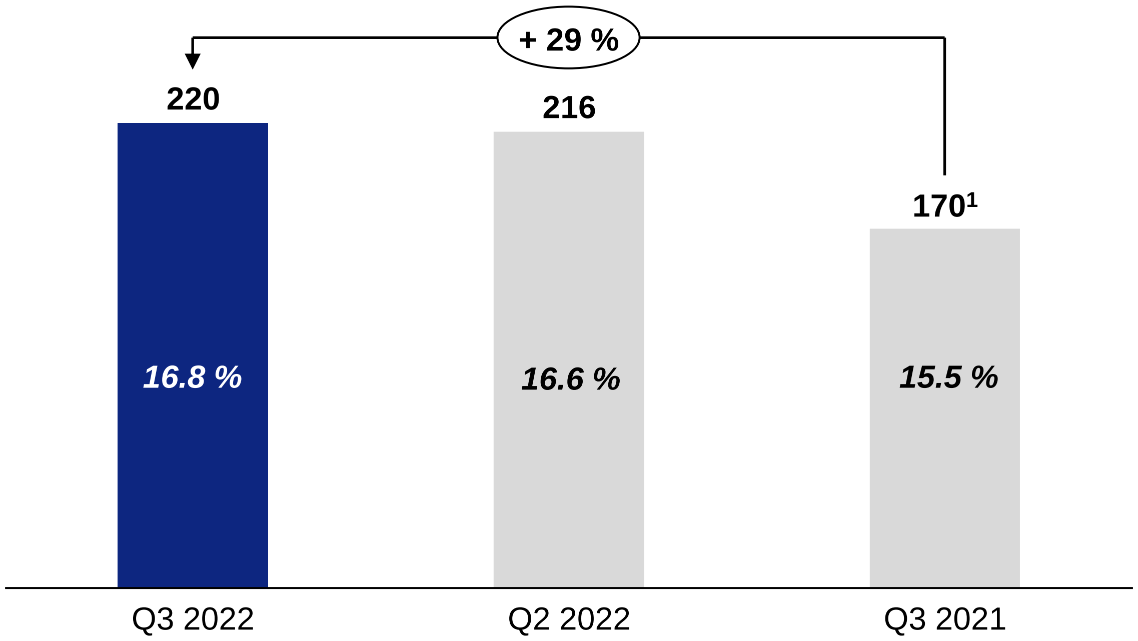
- **Europe** with strong sales growth due to pricing in Care Chemicals and Natural Resources. Notable volume decline in Catalysis and slight decline in Care Chemicals and Natural Resources
- Growth in **Asia-Pacific** driven by volume increase in Catalysis, with significant growth in **China** (CATOFIN®), and by pricing in Natural Resources (Additives and OMS). Care Chemicals reported strong pricing, which compensated for volume decline (destocking)
- Notable growth in **North America** attributable to all Business Areas, especially in Catalysis (volume) as well as Natural Resources and Care Chemicals (both volume and price)
- Sales growth in **Latin America** across all Business Areas driven by pricing (Care Chemicals and Natural Resources) and volume (Natural Resources and Catalysis)
- **Middle East & Africa** with significantly strong growth, underpinned by growth in Natural Resources (Functional Minerals and OMS) and Catalysis, both in volume and price

[1] continuing operations

Continued Strong Growth in Q3 2022…
…Delivered Profitability Improvement

2 Q3 EBITDA margin increased to 16.8 %

- Q3 EBITDA improved by **130 basis points**, driven by **pricing measures**, **higher volumes**, and **cost savings**
- **+ 18 % pricing** fully offset the raw material, energy, and logistics cost inflation
- Inflationary environment in Q3 resulted in:
  - Continued increase in raw material cost by c. 24 %
  - Increase in energy cost by c. 60 %
    - Natural gas and electricity
    - Strongest increase in Europe (c. 85 % of total increase)
    - Mainly in Care Chemicals, Functional Minerals, and Additives
  - Increase in logistics cost by c. 6 %



[1] restated

Executed Strategic Priorities

3 Issuance of first green bond

- In Q3 2022, Clariant placed its first ever green bond (CHF 175 million; coupon of 2.717 %; maturity in September 2027)
- Clariant has established a Green Financing Framework[1] to issue Green Financing Securities
- Proceeds to be used for Eligible Assets driving sustainable innovation as part of Clariant's purpose-led strategy
- The financing/refinancing of Eligible Assets with the green bond proceeds will contribute to achieving our science-based climate targets

4 Investment in China

- CHF 40 million investment in second line for patent-protected halogen-free Exolit® OP flame retardants at Daya Bay plant, China
- Initial Daya Bay flame retardant plant (CHF 60 million investment) on track for commencing production around mid-2023 and second line expected to come onstream in 2024
- Supports rapidly growing demand from China- and Asia-based component manufacturers for innovative and sustainable fire protection in e-mobility, E&E, transportation, 5G communications, infrastructure, and appliances

5 Portfolio Pruning

- Divestment of North American Land Oil business to Dorf Ketal for a sales price of USD 14.5 million
- Structural improvement of Clariant portfolio and sustainability profile
- FY 2021 sales of USD 113 million
- Noncash impairment of around CHF 245 m to be booked before year-end 2022
- Closing expected in Q1 2023, subject to customary closing conditions

[1] Green Financing Framework has been developed in accordance with the 2021 ICMA Green Bond Principles (GBP) as well as the 2021 APLMA, LMA, and the LSTA Green Loan Principles (GLP)

ESG – Clariant's Sustainability Transformation Commitment

Sustainability priorities

Fighting Climate Change

Reducing our own carbon footprint and creating value for customers with low-carbon, high-performing solutions

Increasing Circularity

Products and solutions that enable reducing, reusing and recycling

Safe and sustainable in everything we do

Zero Waste and Pollution

Eliminating waste and pollution from our operations and value chains

Sustainable Bioeconomy

Creating a sustainable bioeconomy by protecting nature and maintaining high social standards

Social Value Creation

Creating value for our employees, in our business networks and in society as a whole

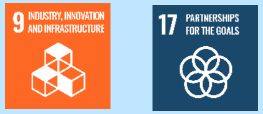
Investment in operations & portfolio

Sustainable operations
Future-proof our operations for a climate-neutral, sustainable world

Sustainability-driven portfolio change
Increase the safety and sustainability of our products and help our customers achieve their sustainability goals

ESG – Pioneering Technology for Steam Methane Reforming

A breakthrough in sustainable hydrogen production



Clariant’s **catalysis** expertise has resulted in »EARTH®« (Enhanced Annular Reforming Tube for Hydrogen), an innovative, award-winning recuperative reforming technology developed by Technip Energies with Clariant's structured catalyst

EARTH® is a pioneering drop-in solution that enables a capacity increase in the production of hydrogen while contributing to energy savings and an improved carbon footprint

Up to[1]

20 %	10 %	50 %
capacity increase in hydrogen production	decrease in CO_2 emissions	lower fossil fuel consumption

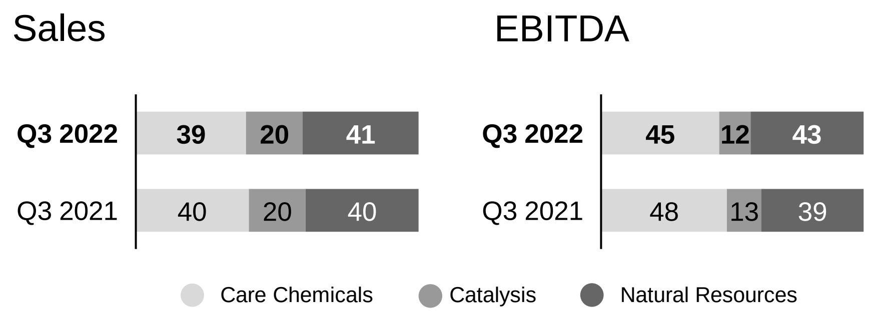
Winner:
- »Best Process Innovation« ICIS Innovation Awards 2022
- »Best Refining Technology« Hydrocarbon Processing Awards 2022

[1] per unit of hydrogen produced
Performance varies by plant. At the Akkim Hydrogen/CO (HyCO) plant in Turkey, 20 % less Co_2 emissions and nearly 40 % lower fossil fuel consumption were recorded during the period January 2019 to November 2021

Third Quarter 2022 – Group[1,2] Overview

in CHF m	***Q3 2022***	*Q3 2021*	*% CHF*	*% LC[3]*	***9M 2022***	***9M 2021***	*% CHF*	*% LC[3]*
Sales	**1 312**	1 096	+ 20	+ 27	3 875	3 130	+ 24	+ 29
EBITDA	**220**	170	+ 29		656	506	+ 30	
EBITDA margin	***16.8 %***	*15.5 %*			16.9 %	*16.2 %*		
EBITDA b.e.i.[4]	**242**	183	+ 32		690	529	+ 30	
EBITDA b.e.i.[4] margin	***18.4 %***	*16.7 %*			17.8 %	*16.9 %*		
Sales Bridge	***Sales*** *+ 20 %*	***Price*** *+ 18 %*	***Volume*** *+ 9 %*	***Currency*** *- 7 %*	***Sales*** *+ 24 %*	***Price*** *+ 18 %*	***Volume*** *+ 11 %*	***Currency*** *- 5 %*

Business Area composition[1] (in %)



Continued sales growth and profitability progression

- **+ 27 % LC[3] growth** due to both **higher volumes** and **increased pricing in Q3**
- **Strong Care Chemicals** (Crop Solutions, Personal Care, Home Care), **Catalysis** sales growth (volume growth in Petrochemicals and Specialty Catalysts), and **Natural Resources** sales increased (in all three Business Units, especially Additives)
- All regions contributed to positive development
- Negative currency impact across the Group

EBITDA margin up by 130 basis points

- **Absolute EBITDA increased by 29 %** versus prior year, and the margin rose to 16.8 %
- Improvement propelled by **pricing measures, higher sales, operating leverage** from higher sales, and **cost savings,** which fully offset increased raw material cost and higher energy and logistics cost
- Savings from **performance programs**[5]

[1] continuing operations; [2] Q3 and 9M 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur; [3] local currency; [4] before exceptional items; [5] performance programs contributed c. CHF 2 m

Third Quarter 2022 – Care Chemicals[1]

in CHF m	Q3 2022	Q3 2021	% CHF	% LC[2]	9M 2022	9M 2021	% CHF	% LC[2]
Sales	**509**	436	+ 17	+ 24	1 626	1 224	+ 33	+ 37
EBITDA	**115**	96	+ 20		378	252	+ 50	
EBITDA margin	***22.6 %***	*22.0 %*			*23.2 %*	*20.6 %*		
EBITDA b.e.i.[3]	**115**	98	+ 17		380	254	+ 50	
EBITDA b.e.i.[3] margin	***22.6 %***	*22.5 %*			*23.4 %*	*20.8 %*		
Sales Bridge	***Sales*** *+ 17 %*	***Price*** *+ 24 %*	***Volume*** *0 %*	***Currency*** *- 7 %*	***Sales*** *+ 33 %*	***Price*** *+ 25 %*	***Volume*** *+ 12 %*	***Currency*** *- 4 %*

Market Dynamics

- Global industrial markets normalized; consumer markets expected to follow in Q4 2022
- Raw material cost eased at high levels
- Customer destocking
- Supply chain uncertainties remained high

Strong + 24 % LC[2,4] sales growth across all key business lines, driven by higher prices

- Quarter was characterized by softening demand and selective customer destocking, which resulted in a **flat volume** development
- **Consumer Care** sales increased in a double-digit percentage range in all three businesses: Personal Care, Home Care, and Crop Solutions in particular
- **Industrial Applications** grew at a low-teen rate. Despite seasonal nature, Aviation contributed positively in specific regions
- **All regions** boosted sales, mostly driven by Europe, North America, Latin America, and the Middle East & Africa

EBITDA margin improvement of 60 basis points

- Absolute **EBITDA up by 20 %, EBITDA margin rose to 22.6 %** versus a strong prior year comparison base. Increase was underpinned by active price management while raw material cost headwinds eased slightly, and positive one-off items made a high single-digit million contribution. No impact from inventory revaluation; however, logistics challenges persisted

[1] Q3 and 9M 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur; [2] local currency; [3] before exceptional items; [4] 23 % organic sales growth in local currency, excluding c. CHF 2 m contribution from the consolidation of Beraca

Third Quarter 2022 – Catalysis[1]

in CHF m	Q3 2022	Q3 2021	% CHF	% LC[2]	9M 2022	9M 2021	% CHF	% LC[2]
Sales	**262**	216	+ 21	+ 28	679	630	+ 8	+ 12
EBITDA	**30**	26	+ 15		57	106	- 46	
EBITDA margin	***11.5 %***	*12.0 %*			*8.4 %*	*16.8 %*		
EBITDA b.e.i.[3]	**31**	24	+ 29		59	104	- 43	
EBITDA b.e.i.[3] margin	***11.8 %***	*11.1 %*			*8.7 %*	*16.5 %*		
Sales Bridge	***Sales*** *+ 21 %*	***Price*** *+ 1 %*	***Volume*** *+ 27 %*	***Currency*** *- 7 %*	***Sales*** *+ 8 %*	***Price*** *+ 3 %*	***Volume*** *+ 9 %*	***Currency*** *- 4 %*

Market Dynamics

– Continued demand for more sustainable solutions and continued investments in capacity
– Ongoing demand in C3[4] value chain; Syngas and emission-control demand accelerated
– Raw material cost remained at high levels
– Continued challenges in supply chains and logistics

Strong LC[2] sales growth driven by volumes

– Sales growth in **Petrochemicals** and **Specialty Catalysts** significantly outpaced the weakness in **Syngas** as anticipated**,** despite continued logistical challenges. Notable sales increase in **Asia**, especially **China.** Sales in **North America, Middle East & Africa**, and **Latin America** well above previous year**.** Weaker result in **Europe** attributable to the normal project nature of the business

Lower EBITDA margin, despite favorable mix, due to sunliquid® cost and pressure from higher logistics and energy cost

– **EBITDA margin decreased to 11.5 %,** despite more favorable product mix, due to: **1**) **project cost** and higher chemicals consumption at elevated raw material/energy cost related to the sunliquid® plant - individual operational difficulties are being addressed; **2**) temporary **margin squeeze** due to continued pressure from higher logistics and energy cost. Although pricing model has been adjusted, long catalyst product lead times result in a cost-to-pricing mismatch and corresponding time lag; **3)** the impact of the **suspension of all business with Russia**
– New CATOFIN® plant in China continued to run at high-capacity levels, producing orders for delivery in both Q3 and Q4 as well as 2023

[1] Q3 and 9M 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur; [2] local currency; [3] before exceptional items; [4] propylene

Third Quarter 2022 – Natural Resources[1]

in CHF m	**Q3 2022**	Q3 2021	% CHF	% LC[2]	**9M 2022**	**9M 2021**	% CHF	% LC[2]
Sales	**541**	444	+ 22	+ 30	1 570	1 276	+ 23	+ 28
EBITDA	**108**	78	+ 38		298	216	+ 38	
EBITDA margin	***20.0 %***	*17.6 %*			*19.0 %*	*16.9 %*		
EBITDA b.e.i.[3]	**108**	81	+ 33		297	219	+ 36	
EBITDA b.e.i.[3] margin	***20.0 %***	*18.2 %*			*18.9 %*	*17.2 %*		
Sales Bridge	***Sales*** *+ 22 %*	***Price*** *+ 21 %*	***Volume*** *+ 9 %*	***Currency*** *- 8 %*	***Sales*** *+ 23 %*	***Price*** *+ 18 %*	***Volume*** *+ 10 %*	***Currency*** *- 5 %*

Market Dynamics

- Softening demand in global industrial sector (i.e., construction, electrical and electronics (E&E), and automotive)
- Some easing of raw material prices, but still high cost levels for raw materials and energy
- Strong demand for sustainable solutions (i.e., in Additives)

Noteworthy + 30 % LC[1] sales growth, growth across all Business Units and regions

- **Oil and Mining Services (OMS**) sales grew in a double-digit percentage range. Oil Services sales reflected a notable improvement due to strong market demand. Mining Solutions sales increased significantly (successful pricing). Refinery sales grew meaningfully
- **Functional Minerals (FM)** sales grew in a double-digit percentage range, with positive developments in Purification and Cargo & Device Protection. Foundry sales grew at a low-teen rate, exceeding Q3 2019 levels (pre-COVID-19)
- **Additives (ADD)** sales rose most significantly among all three Business Units. Robust sales growth in all key regions and in automotive (e-mobility) as well as electronic applications, despite softening volumes and customer destocking

EBITDA margin improvement of 240 basis points on the back of operating leverage and pricing

- Absolute **EBITDA up 38 %, EBITDA margin** of **20.0 %.** Strong top-line advance, in tandem with pricing measures, mitigated the negative impact from higher raw material cost and rising energy prices; positive one-off items contributed in a mid-single-digit million range

[1] Q3 and 9M 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur; [2] local currency; [3] before exceptional items

Outlook Q4 2022

Care Chemicals

Q4 2022 Outlook:

- Solid y-o-y sales growth in LC,[1] driven by maintained pricing levels, while volumes are expected to further soften; sequentially only slightly lower
- EBITDA margin level lower y-o-y and sequentially; continued inflationary environment together with softening demand

Catalysis

Q4 2022 Outlook:

- Solid y-o-y and sequential sales growth in LC,[1] due to execution of the order book (CATOFIN® in China)
- Further EBITDA margin improvement sequentially, aiming to come close to previous year's level; continued burden from sunliquid® ramp up

Natural Resources

Q4 2022 Outlook:

- Solid y-o-y sales growth in LC,[1] sequentially clearly lower due to softening growth environment and continued impact of Russian business suspension
- EBITDA margin clearly lower y-o-y and sequentially; impacted by softening demand, inflationary environment, and restructuring charges

Group

Q4 2022 Outlook:

- Solid LC[1] sales growth y-o-y underpinned by higher prices; sequentially modest sales decline
- Reported EBITDA margin level clearly lower (y-o-y and sequential) due to restructuring charges in Q4 due to the cost of implementing the new operating model, continued burden from sunliquid® cost

[1] local currency

Outlook FY 2022

what is precious to you?

Full Year Outlook 2022 – Expect Strong Sales Growth and Underlying EBITDA Margin Improvement, Reported EBITDA Impacted by One-offs

External Factors

- Geopolitical conflict impacting global economic growth and consumer demand in Q4 2022 – customer destocking to continue
- High inflationary environment to persist in Q4 2022
- Continued high raw material, logistics, and, in particular, energy cost levels as well as supply chain uncertainties, despite some easing from peak levels
- Resurgence of COVID-19

FY 2022 Group

- **Strong sales growth** in LC[1] to around CHF 5.1 billion based on continued pricing measures and strong 9M 2022 results, despite softening of certain end markets (incl. destocking)
- Expecting to **improve** year-on-year underlying **EBITDA margin** level, while reported EBITDA will be impacted by one-off restructuring charges and negative impact from sunliquid® cost

Internal Factors

- Maintain pricing in a softening environment (raw materials, logistics); mitigate continued energy inflation (Europe)
- Restructuring charges for implementation of new operating model
- Manage and improve investment ramp up of sunliquid®
- Suspension of business with Russia

Continued profitable growth and disciplined execution of strategic growth investments toward confirmed 2025 financial targets: Profitable growth (4 – 6 % CAGR), Group EBITDA margin between 19 – 21 %, and a free cash flow conversion of around 40 %

[1] local currency

Backup Slides
Third Quarter / Nine Month Figures 2022

what is precious to you?

Third Quarter 2022 – Sales and EBITDA by Business Area

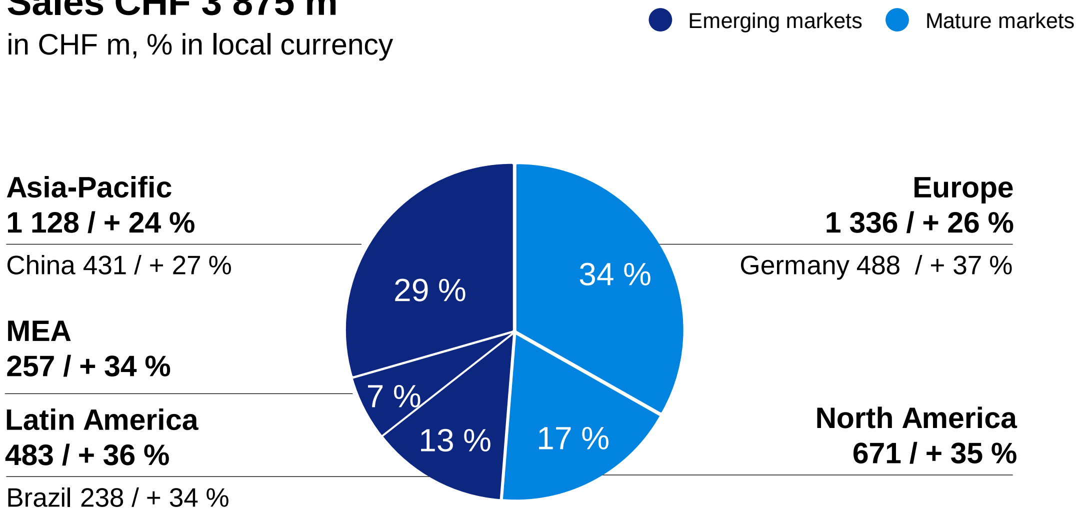
	Sales			EBITDA		
in CHF m	***2022***	*2021*	*% LC[1]*	***2022***	*2021[2] (restated)*	*% CHF*
Care Chemicals	**509**	**436**	*+ 24 %*	**115**	**96**	*+ 20 %*
margin				*22.6 %*	*22.0 %*	
Catalysis	**262**	**216**	*+ 28 %*	**30**	**26**	*+ 15 %*
margin				*11.5 %*	*12.0 %*	
Natural Resources	**541**	**444**	*+ 30 %*	**108**	**78**	*+ 38 %*
margin				*20.0 %*	*17.6 %*	
Business Areas Total	**1 312**	**1 096**	*+ 27 %*	**253**	**200**	*+ 27 %*
Corporate	–	–		- 33	- 30	
Total Continuing Operations	**1 312**	**1 096**	*+ 27 %*	**220**	**170**	*+ 29 %*
margin				***16.8 %***	***15.5 %***	

[1] in local currency; [2] Q3 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur

Nine Month 2022 – Group[1] Overview

Geographic split

Sales CHF 3 875 m
in CHF m, % in local currency



- **European** sales growth supported by strong growth in Care Chemicals (Consumer Care and Industrial Applications) and Natural Resources (all Business Units)
- **Asia-Pacific** driven by continued growth across all Business Areas. Growth in **China** benefitted from strong Catalysis demand, CATOFIN® in particular
- **North American** growth partly attributable to weak comparison base with an especially challenging environment in Oil Services and weather-related disruptions in Q1 2021
- Sales growth in **Latin America** with an increase in Care Chemicals (Consumer Care and Industrial Applications), Natural Resources (all Business Units), as well as Catalysis
- Higher **Middle East & African** sales in Care Chemicals and Natural Resources (Oil & Mining Services and Functional Minerals)

[1] continuing operations

Nine Month 2022 – Sales and EBITDA by Business Area

	Sales to third parties			EBITDA		
in CHF m	***2022***	*2021*	*% LC[1]*	***2022***	*2021[2] (restated)*	*% CHF*
Care Chemicals	**1 626**	**1 224**	*+ 37 %*	**378**	**252**	*+ 50 %*
margin				*23.2 %*	*20.6 %*	
Catalysis	**679**	**630**	*+ 12 %*	**57**	**106**	*- 46 %*
margin				*8.4 %*	*16.8 %*	
Natural Resources	**1 570**	**1 276**	*+ 28 %*	**298**	**216**	*+ 38 %*
margin				*19.0 %*	*16.9 %*	
Business Areas Total	**3 875**	**3 130**	*+ 29 %*	**733**	**574**	*+ 28 %*
Corporate	–	–		- 77	- 68	
Total Continuing Operations	**3 875**	**3 130**	*+ 29 %*	**656**	**506**	*+ 30 %*
margin				***16.9 %***	***16.2 %***	

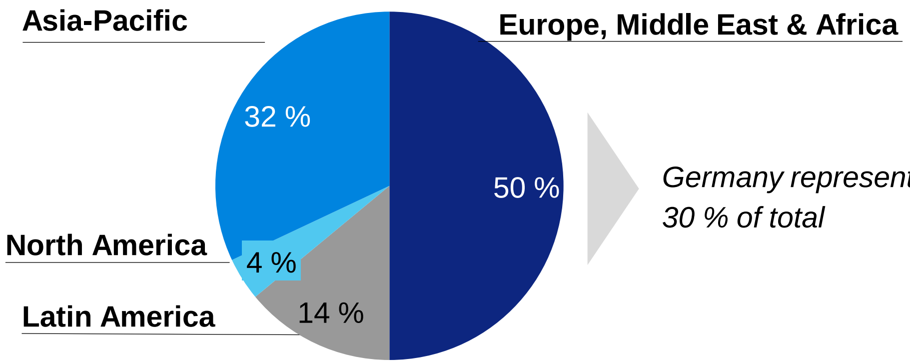
[1] in local currency; [2] 9M 2021 restated. The figures were rounded, and hence, minor reporting deviations might occur

Natural Gas – Global Footprint of Specialty Chemicals Exposure

Nine Month 2022 Regional Production vs. Regional Consumption

Regional Production[1] Split

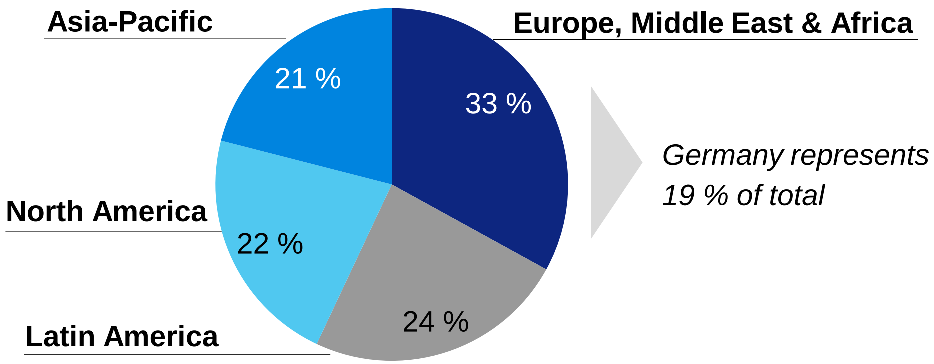
in tons



Germany represents 30 % of total

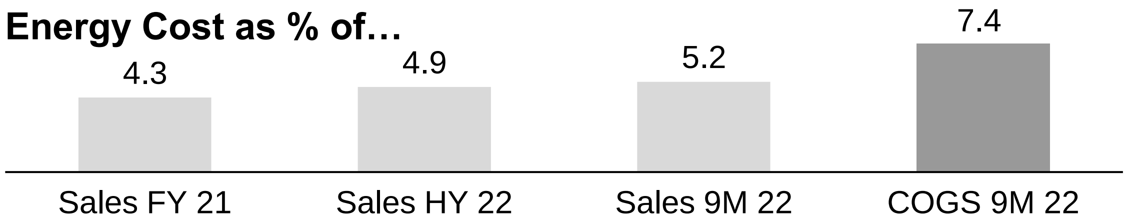
Regional Gas Consumption[1] Split

in 1,232 m kWh



Germany represents 19 % of total

Energy Cost as % of…



– Natural Gas used mainly for steam / heat and to a smaller extent for electricity generation

– No / lower dependency on Russian gas supplies in the Nordics and southwestern Europe

– Clariant's gas consumption in Germany reduced to 19 % of total natural gas consumption

– Clariant assessed business impacts across 3 scenarios in Europe (-30 %, -60 %, -100 %) along with targeted mitigation measures per production site to prepare in case of critical supply shortage

– Mitigation measures (in Germany) include a fuel switch (e.g., gas to oil) or a switch from gas-generated power to external electricity

➔ Clariant can effectively reduce the business impact of a gas supply reduction of up to 60 % in Europe

[1] continuing operations

Calendar of Upcoming Corporate Events

02 March 2023	Fourth Quarter / Full Year 2022 Reporting
09 March 2023	Integrated Report 2022
04 April 2023	Annual General Meeting
05 May 2023	First Quarter 2023 Reporting
28 July 2023	Second Quarter / Half Year 2023 Reporting
30 October 2023	Third Quarter / Nine Month 2023 Reporting

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